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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/620,219	07/14/2003	Larry LeMaitre-Roberts	00920.P2US	8721
61894 7590 12/23/2008 STAINBROOK & STAINBROOK, LLP 412 AVIATION BOULEVARD SUITE H SANTA ROSA, CA 95403				
EXAMINER				
LE, KHANH H				
ART UNIT		PAPER NUMBER		
3688				
MAIL DATE		DELIVERY MODE		
12/23/2008		PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/620,219

Applicant(s)

LEMAITRE-ROBERTS, LARRY

Examiner

KHANH H. LE

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Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 September 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 2, 4, 5, 7, 8 and 20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 2, 4, 5, 7, 8 and 20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 17 September 2008 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This Office Action is responsive to the correspondence filed 09/17/2008. Claims 1- 20 were pending. Claims 3, 6, and 9-19 are cancelled. Thus claims 1-2, 4-5, 7-8, and 20 are pending. Claims 1-2, 4-5, 7-8, and 20 are amended. Claim 1 is independent. The submitted new drawings have been entered.

Drawings

2. The new corrected drawings are acceptable and have been entered.

Double Patenting

3. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the “right to exclude” granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

4. Claims 1-2, 4-5, 7-8, and 20 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-20 of copending Application No 11/378119, (US PG PUB 2008/0033793) herein application /119.

This is a provisional obviousness-type double patenting rejection.

a) Claim 1 of application /119 essentially mirrors instant claim 1 except for “(a) issuing a benefits card” instead of the instant “issuing a loyalty card”.

However the difference are only in the names of the card which has no bearing on the steps thus are not little patentable weight if any. It would have been obvious to a person having ordinary skill in the art at the time the invention was made (herein a “PHOSITA”) to call the card whatever they like if the names do not affect the method steps.

The other limitations of instant claims 2, 4, 5, and 8 substantially parallel those of claims 2,5, 6 and 4 of application /119, respectively, and thus are rejected on the same basis. Instant claim 7 obviously encompasses claims 7,8 and 9 of application /119, (thus are rejected under this

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section) since the instant payment other than by credit card obviously encompasses the customary payment by cash, negotiable instruments such as checks or debit cards claimed in claims 7 and 9 of application /119. Instant claim 20 is obvious in view of claims 7,8 or 9 of application /119 since a credit card is an obvious variant of the payment methods claimed in those claims.

Claim Rejections - 35 USC § 112

5. Previous rejection of claim 1 under this section is withdrawn following proper correction thereof.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

7. Claims 1-2, 4, 7-8, and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dorf, US 6000608 in view of Graves US 6575361 B1.

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Claims 1 and 2:

Dorf discloses:

A method of capturing data from a customer transaction with a merchant for administering a loyalty program (e.g. abstract, col. 3 lines 42-53) . (Figures 1-2 and associated text, Figure 2 item 206, col.9 line 26 to col. 10 line 6) comprising:

issuing a program or loyalty card with a unique card number to a customer, said card number comprising a Bank Identification Number identifying an issuing financial institution having an issuing processor (e.g. col. 4 line 36- col. 5 line 3) (An issuing processor is interpreted as a computer as a bank that by agreement with the merchant issues loyalty cards that function as payment cards for the purpose of collecting data for processing. Dorf discloses a card similar to a visa card or MasterCard (col. 4 lines 47-67) sponsored by a bank (Fig. 2 item 202) (which reads on an issuing bank) which has a processor (Fig. 2 item 209)

transmitting a standard transaction data packet from a POS terminal to a bank (e.g. Figure 2 , path of Retailer A, with Bank processor 209 of Figure 2) said data packet comprising the unique card number, data identifying the merchant, and data identifying the dollar amount of the customer transaction data ; also a time and a date the data packet was transmitted to the bank (col.1 lines 29-30 : “real-time” suggests such data are transmitted);

transmitting an authorization request over the existing payment card authorization infrastructure to a clearinghouse (Figure 2, paths from retailers A and B, from payment network 107 to processing hub 103 reads on this step);

recording customer transaction data at the clearinghouse or issuing processor (e.g. processing hub 103 in Figure 2 is the clearinghouse; Dorf also suggests the issuing processor can also be the same as e.g. processing hub 103, see Fig 1 where the bank processor and the processing hub is enclosed in a same box. Note that Fig 1 applies to the phone card embodiment of Dorf as well as the loyalty card embodiment, see col. 4 lines 5-6. In the alternative it would have been obvious to have the issuing bank processor act as the loyalty processing hub since these functions can be delegated to any party desirable as dictated by economic or other considerations).

Dorf does not disclose transmitting a declining code to the merchant's acquiring bank (e.g. Bank processor 208 of Figure 2) over the existing payment card infrastructure and from the bank to the POS , or that the declining code is achieved by pre-arranging a stand-in limit of zero dollars.

However Dorf teaches "us[ing] existing banking networks in a unique and novel way to gain access to virtually all existing retail point-of-sale (POS) devices 105." (col. 4 lines 25-30). The program or loyalty card is to be treated by the POS as a credit or debit card (abstract) even though the customer actually does not pay for transactions with it.

Dorf's purpose is to minimize POS customization (e.g. 2 lines 42-47). Dorf teaches not using the existing banking networks for purposes of processing payment but only as conduit to the processing hub 103 of Figure 2, for loyalty processing (Figure 2 item 206), marketing data gathering (col. 10 lines 2-3) or the like.

To trigger using the existing payment card infrastructure according to banking rules Dorf teaches one way is to use a fixed nominal amount e.g. \$0.01 which is then later returned to the retailer (e.g. paths of Retailers A and B to Hub 103 of Figure 2; col. 5 lines 49-59; col. 6 lines 40-44).

Official Notice is taken that it is old and well known within the financial arts to stop a payment card transaction, such as in a credit card transaction, by having it rejected or not authorized by sending some data, message, or code, i.e. the claimed declining code, back from the authorizing entity to the POS.

Thus, if the object is to allow payment by any type of legal tender than by the loyalty card, (such as suggested by Dorf because it teaches payment by other means than with the loyalty card), and if e.g. the loyalty card is to be treated as a credit card (which Dorf teaches, see abstract) it would have been obvious to a person having ordinary skill in the art at the time the invention was made (herein a "PHOSITA") to substitute Dorf's using a nominal amount (e.g. \$0.01) a declining code sent from Dorf's sponsor bank 102_(which reads also on the clearinghouse) to the POS via the payment network to reject the payment transaction.

Further use of stand-ins in payment processing is admitted art (specification p. 11, lines 2-13) and Graves, in analogous scheme to manage stored value card using bank network, discloses pre-arranging stand-in processing to always be reversals of authorization (i.e. a kind of declining code) when Stand-In Processing is not desired due to the unique needs of the card in use "as opposed to normal VISA transactions" (col. 45 lines 42-52). Thus it would have been obvious to a "PHOSITA") to apply the admitted art of stand-ins and the technique of pre-arranging stand-in processing to always be reversals of authorization as taught by Graves if the

purpose desired for the particular card is not to carry on normal existing payment (e.g. VISA) transactions as taught by Dorf as well as Graves. In view of Dorf's teaching of \$0.01 which is then later returned to the retailer, which is tantamount to zero dollars for the customer, just to use the usual payment network for data processing purposes, it would also have been obvious to set, in the Dorf system, the stand-in amount to be zero dollars as taught by Graves, so to effect reversals, always, as taught by Graves.

Claim 4:

Dorf and Graves discloses a method as in Claim 1 above and further discloses wherein the clearinghouse or issuing financial institution administers a loyalty program with more than one merchant participating in said loyalty program (inherent in citations above).

Claims 7, 20:

Dorf and Graves discloses a method as in Claims 1 or 2 above and further suggests any type of payment is possible since the loyalty card is to be accepted at any standard POS and these can accept any type of payments. Thus it would have been obvious to a PHOSITA that the customer transaction can be consummated by cash, negotiable instrument, prepaid card, debit card, or credit card since standard POS can handle these types of payments.

Claim 8:

Dorf and Graves discloses a method as in Claim 1 above but does not disclose loyalty program rewards are variably awarded based on the time and date the data packet is transmitted. However if rewards are to be so varied by design, for any economic or marketing purpose, it would have been obvious to a PHOSITA that that would be done, as an obvious solution among a limited few, to carryout such purpose.

8. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Dorf in view of Graves as applied to claim 1 above, and further in view of Burke US 5621640.

Claim 5:

Dorf and Graves discloses a method as in Claims 4, 9 above but does not disclose wherein rewards from the loyalty program are dispersed to both a customer that accumulated the rewards and a non-profit entity. However Burke does (e.g. abstract). It would have been obvious to one skilled in the art at the time the invention was made to add Burke dividing of rewards between the customer that accumulated the rewards and a non-profit entity to effect the philanthropic purpose of Burke.

Response to Arguments

9. Applicant's arguments have been fully considered but they are not persuasive. Appellants argue none of the references **teach use of an issuing processor, and neither teach routine declines of any kind**. Appellants further argue, "Because that insight was contrary to the understandings and expectations of the art, the structure effectuating it would not have been obvious to those skilled in the art."

The Examiner notes that an issuing processor is interpreted as a computer at a bank that issues payment cards. Dorf discloses a card sponsored by a bank (i.e. an issuing bank) such as a visa card or MasterCard (col. 4 lines 47-67).

As noted above Dorf also teaches "us[ing] existing banking networks in a unique and new way to gain access to virtually all existing retail point-of-sale (POS) devices 105." (col. 4 lines 25-30). The program or loyalty card is to be treated by the POS as a credit or debit card (abstract) even though the customer actually does not pay for transactions with it. Dorf's purpose is to minimize POS customization (e.g. 2 lines 42-47). Dorf teaches not using the existing banking networks for purposes of processing payment but only as conduit to the processing hub 103 of Figure 2, for loyalty processing (Figure 2 item 206), marketing data gathering (col. 10 lines 2-3) or the like. To trigger using the existing payment card infrastructure according to banking rules Dorf teaches one way is to use a fixed nominal amount e.g. \$0.01 which is then later returned to the retailer (e.g. paths of Retailers A and B to Hub 103 of Figure 2; col. 5 lines 49-59; col. 6 lines 40-44).

Thus Dorf's purpose is exactly the same as Appellants'. Therefore Applicants have no special insight contrary to the understandings and expectations of the art. Further, use of stand-ins in payment processing is admitted art (specification p. 11, lines 2-13) and Graves, in analogous scheme to manage stored value card using bank network, discloses pre-arranging stand-in processing to always be reversals of authorization (i.e. a kind of declining code) when Stand-In Processing is not desired due to the unique needs of the card in use "as opposed to normal VISA transactions" (Graves , col. 45 lines 42-52).

Thus it would have been obvious to a "PHOSITA") to apply the admitted art of stand-ins and the technique of pre-arranging stand-in processing to always be reversals of authorization as taught by Graves if the purpose desired for the particular card is not to carry on normal existing payment (e.g. VISA) transactions as taught by Dorf as well as Graves. In view of Dorf's teaching of \$0.01 which is then later returned to the retailer, which is tantamount to zero dollars for the customer, just to use the usual payment network for data processing purposes, it would also have been obvious to set, in the Dorf system, the stand-in amount to be zero dollars as taught by Graves, so to effect reversals, always, as taught by Graves.

It is noted the new limitation of the **issuing bank acting as a clearing house with routine decline of authorization is supported by the specification at pages 3, 8-10 as cited by Applicant in his response at page 6, and also in the application title and at Figure 2.**

Conclusion

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to KHANH H. LE whose telephone number is 571-272-6721. The Examiner works a part-time schedule and can normally be reached on Tuesday-Wednesday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Myhre James can be reached on 571-272-6724. The fax phone numbers for the organization where this application or proceeding is assigned are 571-273-8300 for regular communications and for After Final communications. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 571-272-3600. For patent related correspondence, hand carry deliveries

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must be made to the Customer Service Window (now located at the Randolph Building, 401 Dulany Street, Alexandria, VA 22314).

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/Khanh H. Le/
Examiner, Art Unit 3688
December 19, 2008

/James W Myhre/
Supervisory Patent Examiner, Art Unit 3688